

RECEIVED

JUN 19 2006

CONSUMER SERVICES DIVISION  
FINANCIAL INSTITUTIONS  
OLYMPIA, WASHINGTON

RECEIVED

JUN 19 2006

DEPT. OF FINANCIAL INSTITUTIONS  
OLYMPIA, WASHINGTON

STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
CONSUMER SERVICES DIVISION

IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Escrow Agent Registration Act of Washington by:

NO. C-02-351-03-CO01

LIBERTY ESCROW, INC., KATHLEEN  
ALLEN, OWNER; AND KATHLEEN ALLEN,  
DESIGNATED ESCROW OFFICER,

CONSENT ORDER

Respondents

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Chuck Cross, Division Director, Division of Consumer Services, and Kathleen D. Allen and Liberty Escrow, Inc. (Respondents), and finding that the issues raised in the captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 18.44 of Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges and Notice of Intention to Enter an Order To Revoke License, Prohibit from Participation in Industry and Assess Monetary Penalties (Statement of Charges) No. C-02-351-03-SC01 issued August 5, 2003 (copy attached hereto). Pursuant to chapter 18.44 RCW, the Escrow Agent Registration Act (Act) and RCW 34.05.060 of the Administrative Procedure Act, Respondents hereby agree to the Department's entry of this Consent Order and further agree that the issues raised in the above captioned matter may be

CONSENT ORDER

1

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Division of Consumer Services  
150 Israel Rd SW  
PO Box 41200  
Olympia, WA 98504-1200  
(360) 902-8703

1 economically and efficiently settled by entry of this Consent Order. The parties intend this Consent  
2 Order to fully resolve the Statement of Charges.

3 Based upon the foregoing:

4 A. **Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter  
5 of the activities discussed herein.

6 B. **Consent to Be Bound By Order.** It is AGREED that the parties shall be bound by the  
7 terms and conditions of this Consent Order as set forth herein.

8 C. **Waiver of Hearing.** It is AGREED that Respondents have been informed of their right  
9 to a hearing before an administrative law judge, and that Respondents have waived same right to a  
10 hearing and any and all administrative and judicial review of the issues raised in this matter, or of the  
11 resolution reached herein. Accordingly, Respondents agree to withdraw their appeal and to inform the  
12 Office of Administrative Hearings in writing of their withdrawal.

13 D. **Non-Compliance with Order.** It is AGREED that Respondents understand that failure  
14 to abide by the terms and conditions of this Consent Order may result in further legal action by the  
15 Director. In the event of such legal action, Respondents may be responsible to reimburse the Director  
16 for the cost incurred in pursuing such action, including but not limited to, attorney fees.


17 E. **Escrow Agent License Revoked.** It is AGREED that Liberty Escrow Inc.'s license to do  
18 business as an escrow agent is revoked.

19 F. **Escrow Officer License Revoked.** It is AGREED that Kathleen Allen's license to do  
20 business as an escrow officer is revoked.

21 G. **Application for Escrow Agent or Escrow Officer License.** It is AGREED that  
22 Respondents shall not apply to the Department for any license issued pursuant to chapter 18.44 RCW under any  
23

1 name for a period of ten (10) years from the date of entry of this Consent Order. It is further AGREED that,  
2 should Respondents apply to the Department for any license issued pursuant to chapter 18.44 RCW at any time  
3 after ten (10) years from the date of entry of this Consent Order, they shall be required to meet any and all  
4 application requirements in effect at that time.

5 **H. Cooperation of Respondents.** It is AGREED that once Respondents became aware of  
6 the Statement of Charges and the circumstances described therein, Respondents responded and  
7 cooperated with the Department to resolve the issues raised in the Statement of Charges.

8 **I. Prohibition from Industry.** It is AGREED that Kathleen Allen is prohibited from  
9 participating in the conduct of the affairs of any licensed escrow agent as an officer, principal, or  
10 employee of any licensed escrow agent or any person subject to licensing under this chapter for ten (10)  
11 years from the date of entry of this Consent Order in any capacity, including but not limited to: (1) any  
12 financial capacity whether active or passive or (2) as an officer, director, principal, designated escrow officer, or  
13 employee or (3) any management, control, oversight or maintenance of any trust account(s) or (4) receiving,  
14 disbursing, managing or controlling in any way, consumer trust funds in any way, under R.C.W. 18.44.   
15

16 **J. Compliance with Requests and Directives.** It is AGREED that Respondents shall  
17 comply with all information requests and directives from the Department within the timeframes specified  
18 in conjunction with the investigation of its business practices.

19 **K. Maintain Records.** It is AGREED that Respondents, their officers, employees, and  
20 agents shall maintain all records involving escrow transactions for a minimum of six (6) years following  
21 the closing or termination of the escrow transaction.

22 **L. Authority to Execute Order.** It is AGREED that the undersigned has represented and  
23 warranted that she has the full power and right to execute this Consent Order on behalf of the parties  
24 represented.  
25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

M. **Voluntarily Entered.** It is AGREED that the undersigned Respondents have voluntarily entered into this Consent Order, which is effective when signed by the Director's designee.

N. **Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read this Consent Order in its entirety and fully understand and agree to all of the same.

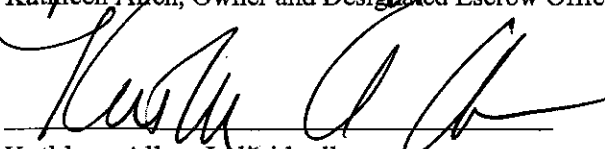
1 **RESPONDENTS:**

2 **Liberty Escrow, Inc.**

3 By: 

4 Kathleen Allen, Owner and Designated Escrow Officer

6/16/06  
Date

5 

7 Kathleen Allen, Individually

6/16/06  
Date

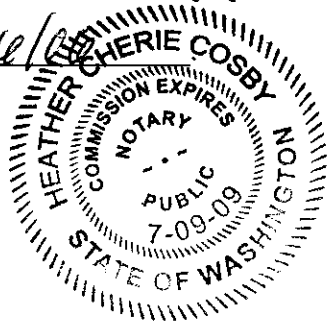
8 STATE OF WASHINGTON )


9 ) ss.

10 COUNTY OF PIERCE )

11 I certify that I know or have satisfactory evidence that Kathleen Allen is the person who appeared before me,  
12 and said person acknowledged that she signed this instrument, on oath stated that she is authorized to execute  
the instrument and acknowledged it on this 16 day of JUNE, 2006, to be the free and voluntary  
act of such party for the uses and purposes mentioned in this instrument.

13 Dated: 6/16/06

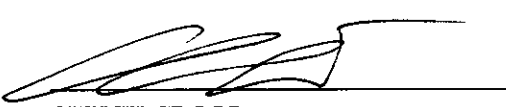


14   
15 NOTARY PUBLIC in and for the State of  
Washington, residing at Snodgrass WA

18 DO NOT WRITE BELOW THIS LINE

19  
20 THIS ORDER ENTERED THIS 19th DAY OF June, 2006.



21  
22   
23 CHUCK CROSS  
24 Director  
25 Division of Consumer Services  
Department of Financial Institutions

CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Division of Consumer Services  
150 Israel Rd SW  
PO Box 41200  
Olympia, WA 98504-1200  
(360) 902-8703